THE CHALLENGE

When Intermountain Healthcare became the substantial owner of Intalere in July 2015, one of the driving forces behind the move was the ability to take advantage of synergies based on the strengths of each organization. Since that time, teams have been hard at work, relying on each other to maximize their expertise and buying power.

According to John Cox, Intalere utilization manager who works exclusively with Intermountain to identify advantageous sourcing opportunities, “This is a unique benefit for a provider and provider-owned organization to leverage and develop expert solutions to reduce cost through negotiated savings while increasing the quality of care.”

In the diagnostic imaging area, teams had been looking at bringing further efficiencies in radiopharmaceuticals. Radioisotopes are an essential part of medical diagnostic procedures. In combination with imaging devices that register the gamma rays emitted from within, they can study the dynamic processes taking place in various parts of the body. “Radioisotopes are used in cardiac studies, nuclear and PET medicine,” said Denise Johnson, Lab/Diagnostic Imaging Specialist, Intalere. “In addition to cost, delivering an isotope is similar to delivering a melting ice cube, so timing and commitment from suppliers is also very important.”

INTERMOUNTAIN WAS USING SEVERAL RADIOPHARMACEUTICAL VENDORS AND FELT THEY WERE NOT SEEING MAXIMUM SAVINGS. THERE WERE SEVERAL STEERING COMMITTEES ESTABLISHED, INVOLVING STAKEHOLDERS THROUGHOUT THE ORGANIZATION AS WELL AS INTALER PARTNERS THAT WERE TASKED WITH EXAMINING THREE SCENARIOS: KEEPING THINGS “AS IS,” USING A DUAL SOURCE MODEL FOR SUPPLIERS OR GOING SOLE SOURCE.

“THE MARKET IS ALWAYS CHANGING, SO WE CANNOT OPERATE WITH A ‘BUSINESS AS USUAL’ MENTALITY,” SAID KELLEN SWITZER, SOURCING MANAGER, INTERMOUNTAIN HEALTHCARE. “WE ARE ALL TASKED WITH GIVING BACK TO INTERMOUNTAIN’S VISION (BE A MODEL HEALTH SYSTEM BY PROVIDING EXTRAORDINARY CARE AND SUPERIOR SERVICE AT AN AFFORDABLE COST) AND FINDING WAYS TO BE SUSTAINABLE.”

Switzer also explained that, “The ‘One Intermountain’ concept defines a way of doing our work that should signal to our patients and their families that they can expect the very best of what we have to offer every single time they seek care from Intermountain, no matter where they seek that care. The imaging team accepted this challenge to be One Intermountain versus working in silos or contracting on a facility level.”
According to Switzer, the teams gathered data through invoicing to begin the process of understanding true pricing and developing an RFP. Several suppliers responded, and through the process, Cardinal was able to separate themselves from other RFP participants in terms of demonstrating the willingness to be a strong partner in terms of pricing, collaboration and ability to accommodate. The decision was made to engage in a sole-source relationship.

To this point, the collaboration has paid big dividends. Monthly meetings were instituted to keep things moving. Representatives from Intermountain, Intalere and Cardinal met with all affected sites to work through any questions and ensure a seamless transition. “To date, there have been no issues,” said Johnson.

THE OUTCOME

In terms of savings, the project has brought more than $2 million in cost reductions. More importantly is the "total value" and the illustration of the new guiding principles for strategic sourcing between Intermountain and Intalere:

- Teamwork is the key to success.
- Inclusion of appropriate internal stakeholder input and alignment.
- Increasing customer involvement in sourcing projects and outcomes.
- What is best for customers comes first.

“"To optimize cost and care, partnerships and collaboration are essential, and decisions need to include a continuum of care lens. We look holistically at cost, quality and outcomes. Everyone has a role in the new paradigm.”

Kellen Switzer ∙ Sourcing Manager ∙ Intermountain Healthcare

Outcome focused purchasing resources and information, including contract savings, no-cost price verification programs and seasonal promotional pricing.

About Intalere

Intalere’s mission focuses on elevating the operational health of America’s healthcare providers by designing tailored, smart solutions that deliver optimal cost, quality and clinical outcomes. We strive to be the essential partner for operational excellence in healthcare through customized solutions that address customers’ individual needs. We assist our customers in managing their entire spend, providing innovative technologies, products and services, and leveraging the best practices of a provider-led model.